PARAGON Alpha

# ALPHA WATCHTOWER

**EQUITY LONG/SHORT EDITION**

April 2026

## *Money Talks. Everything Else Is Noise.*

Inside the equity PM hiring market where only P&L gets you through the door

How tariff whiplash, the March selloff, and $100M sign-on packages are reshaping the equity long/short landscape

**IN THIS EDITION, READ ABOUT:**


1 **Equity L/S Performance in Q1** – The March Stress Test

2 **The Market Landscape** – Tariffs, Iran, and the Dispersion Regime

3 **P&L Is Everything** – What Funds Actually Hire For

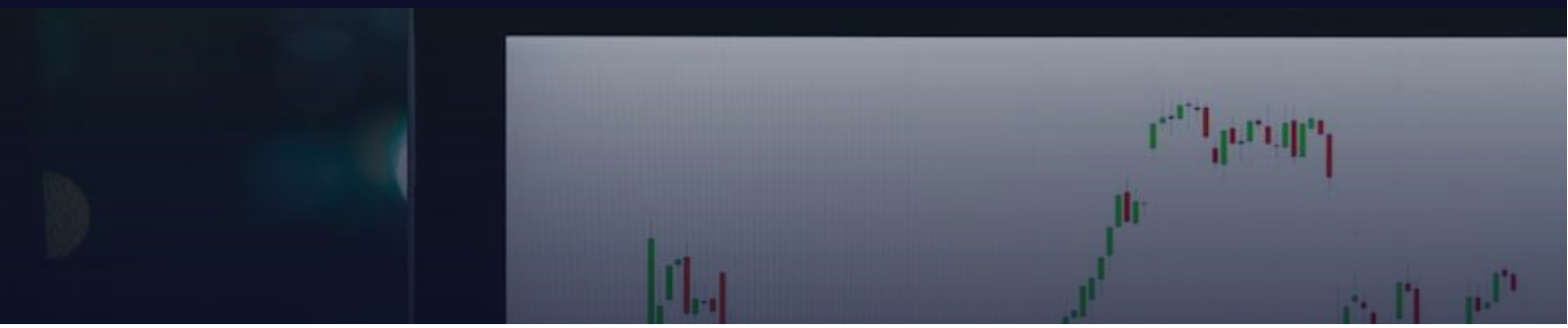
4 **The Sector Map** – Where Equity PMs Are Being Deployed

5 **Pod Economics** – Capital, Drawdowns, and the Pass-Through Reality

6 **Transfer Window** – PM Talent Moves

7 **Owen Burton – Your Equity L/S Recruitment Partner**

# EQUITY L/S PERFORMANCE IN Q1



L/S equity funds fell **-7.8% in March and -11.8% for Q1** - the worst monthly drawdown since January 2022. The Iran conflict sent markets down 10%, tariff whiplash created sector rotation chaos, and then a sharp 4% recovery rewarded the PMs who held their nerve. The funds that came out clean were the ones with proven P&L generators at the helm.

TMT LONG/SHORT ▼

**-11.8%**

Worst sector in Q1. AI/tech repricing hit concentrated TMT books hardest. Crowded longs unwound.

POINT72 ▲

**Leading**

Took Q1 performance crown. AI infrastructure positioning and equity dispersion trades paid off.

WALLEYE CAPITAL ▲

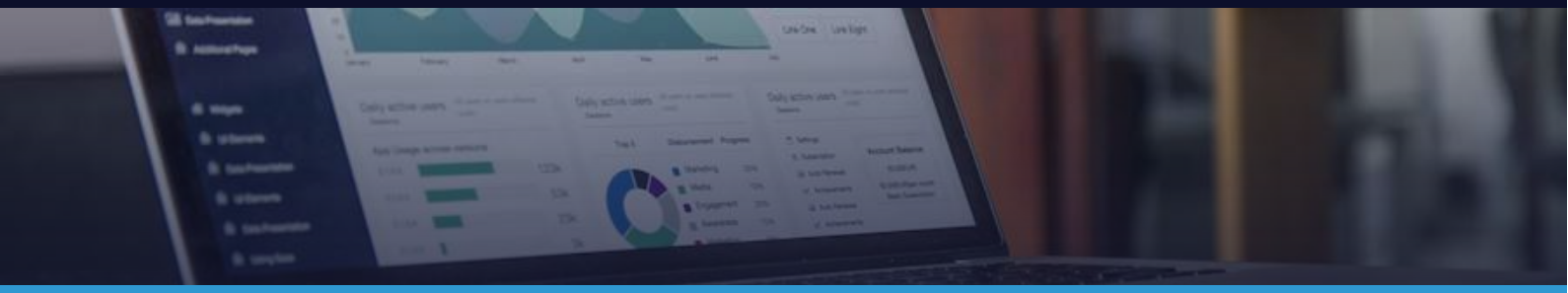
**14.7%**

2025 return. AUM doubled from $5.8B to $10.8B. Now closed to new investors. Second-tier standout.

| FUND | MARCH | Q1 YTD | SIGNAL |
|---|---|---|---|
| **Tiger Global** | -7.3% | Negative | Concentrated growth book punished. Worst of the tiger cubs. |
| **Maverick Capital** | -5.0% | Negative | Iran shock hit long positions hard. +29% in 2025. |
| **Viking Global** | -4.1% | Negative | March drawdown across diversified equity book. |
| **Point72** | - | Leading peers | Q1 crown. AI infrastructure + equity dispersion trades. |
| **Citadel Wellington** | -1.9% | +1.0% | Flagship held. Risk infrastructure absorbed the shock. |
| **Millennium** | -1.2% | +1.0% | Lost $1.5B in one week. 330+ pods contained overall. |
| **Balyasny** | -4.3% | -3.8% | Worst Q1 on record. Losing PMs to competitors. |
| **Schonfeld** | Flat | +0.9% | Steadiest mid-tier. Grew investment team 21%. |
| **Walleye** | - | Strong | 14.7% in 2025. AUM $10.8B. Closed to new investors. |

! **The dispersion opportunity:** High within-sector dispersion is creating ideal conditions for stock pickers. Funds are net short software equities (generating $24B in profits from bearish software bets) while going long AI infrastructure. The trade is: short the software layer, long the picks-and-shovels.

# THE MARKET LANDSCAPE



**April 2026 – Down 10%, Back Up 4%, and the Dispersion Regime That Rewards Stock Pickers**

| -7.8% | $24B | 145% |
|---|---|---|
| L/S EQUITY FUNDS MARCH 2026 DRAWDOWN | PROFITS FROM SOFTWARE SHORTS HEDGE FUNDS YTD 2026 | US TARIFF RATE ON CHINA SECTOR ROTATION CATALYST |

## THE MARCH WHIPLASH

Markets dropped 10% on the Iran conflict and oil shock, then recovered 4% as funds that held conviction positions were rewarded. The PMs who panicked and delevered crystallised losses. The PMs who had genuine edge in their book captured the rebound. This is the environment that separates proven P&L generators from passengers.

## TARIFF-DRIVEN ROTATION

145% tariffs on China are forcing wholesale sector repricing. Supply chain exposure is the new factor risk. PMs with deep sector knowledge – who understands which companies can re-source and which cannot – are generating alpha from the dislocation. Generic beta exposure is being punished.

## SHORT SOFTWARE, LONG INFRASTRUCTURE

Hedge funds are net short software equities and deepening those positions after $24B in profits. Simultaneously going long AI infrastructure: semiconductors, hyperscale data centres, power/cooling, networking. Dispersion within tech is at historic highs – ideal for L/S stock pickers.

## THE SECOND-TIER SURGE

Capital is flowing to second-tier multi-managers as the Big Four become capacity-constrained. Walleye delivered 14.7% net in 2025, AUM doubled to $10.8B, now closed to new investors. Verition, ExodusPoint, and Schonfeld offer PMs more flexible terms and less bureaucratic oversight.

! **Post-selloff rotation:** As of late February, hedge funds started buying tech stocks again after weeks of selling. The buy-back was selective: AI infrastructure winners and oversold names, not broad tech. Point72 outperformed Q1 specifically because of this positioning.

TREND ONE

01

# *P&L Is Everything. The Rest Is Noise.*

Funds are not taking bets on potential. They are hiring proven generators. Your track record is the only thing that gets you through the door.

The equity PM hiring market has become brutally meritocratic. Funds genuinely do not care what school you went to, what PM you worked for, how many years you have done it, or how polished your interview technique is. **The money you make is what gets you in the door.**

| 2.6+ | <5% | $200M+ |
|---|---|---|
| SHARPE RATIO THRESHOLD<br>MILLENNIUM'S REPORTED MINIMUM | MAXIMUM DRAWDOWN<br>ANYWHERE IN TRACK RECORD | MINIMUM AUM<br>MANAGEMENT EXPERIENCE |

What metrics actually matter: absolute P&L generation (the headline number), Sharpe ratio and information ratio (risk-adjusted returns), drawdown control (max peak-to-trough), gross/net exposure management discipline, performance attribution - alpha vs beta, sector vs stock-specific - and critically, how the PM performed specifically in drawdown months.

**Money Talks**
P&L is the only currency. Credentials, pedigree, and connections are secondary to track record

**Multi-Regime Proof**
Consistent performance across bull and bear markets. Not just a rising-tide PM

**Team Lifts Rising**
Platforms hiring entire teams for faster time-to-output rather than standalone PMs

> *They genuinely don't care about what school you went to, what PM you worked for, how many years you've done it. The money you make is what gets you in the door.*
>
> Market Intelligence, April 2026

WHAT THIS MEANS FOR CANDIDATES

If you are a PM with a clean track record - Sharpe above 2.5, max drawdown under 5%, consistent across regimes - you are in the strongest negotiating position in the history of the industry. If you cannot demonstrate that, the market has no room for potential right now. Prepare to lead with your numbers.

# 02 *The Sector Map*

Where equity PMs are being deployed and which sectors are driving hiring demand

| -11.8% | $24B | Strong | High |
|---|---|---|---|
| TMT L/S Q1 | SOFTWARE SHORT PROFITS | AI INFRASTRUCTURE LONGS | INTRA-SECTOR DISPERSION |

## HOT SECTORS

**AI Infrastructure:** Semiconductors, hyperscale data centres, power/cooling, networking hardware. Funds are going long the picks-and-shovels layer while shorting the software layer above it.

**Energy & Commodities Crossover:** Iran conflict has created structural supply disruption. PMs with energy sector expertise are in high demand. Oil above $100/bbl is repricing every industrial and consumer name.

**Industrials & Supply Chain:** Tariff regime is creating winners and losers within sectors. PMs who understand which companies can re-source vs which cannot are generating alpha from dislocation.

**Healthcare & Defensives:** Rotation into defensive names during March drew down. PMs with healthcare expertise are being hired to run lower-beta books that perform in volatility.

## COLD SECTORS

**Broad TMT:** -11.8% in Q1. The worst-performing sector. Concentrated TMT books with crowded AI longs were destroyed in March. Funds are reducing headcount in generic TMT coverage.

**Software:** Hedge funds are net short and deepening positions. Revenue not materialising at the rate priced in. The short software trade has generated $24B in profits YTD.

**China-Exposed Consumer:** 145% tariffs have made China-dependent supply chains toxic. PMs with China-heavy books are struggling to deploy capital.

**The opportunity:** High dispersion within sectors means the best stock pickers can generate alpha even in "cold" sectors. The key is conviction and edge, not sector allocation.

### WHAT THIS MEANS FOR CANDIDATES

If you cover AI infrastructure, energy, or industrials with a strong track record, you are the most in-demand profile in the market right now. If you cover TMT broadly without a differentiated edge, expect a tougher conversation. Sector expertise with demonstrable P&L is the hiring thesis.

TREND THREE

# *Pod Economics: Capital, Drawdowns, and the Pass-Through Reality*

Understanding how the pod model actually works – and what it means for PMs evaluating their next move.

| $200–500M | 3–5% | 15–20% |
|---|---|---|
| TYPICAL PM CAPITAL ALLOCATION AT BIG FOUR | HARD STOP-LOSS DRAWDOWN TRIGGER | PM P&L SHARE PERFORMANCE COMPENSATION |

## HOW CAPITAL FLOWS

New PMs typically receive $200M–$500M in risk capital at a Big Four platform. Capital is dynamic – it moves in real time based on performance, increasing for outperformers and pulled instantly from underperformers. The platform provides leverage (often 4–6x), risk infrastructure, technology, and operational support.

## THE DRAWDOWN REALITY

Hard stop-loss triggers at 3–5% drawdown. Hit the limit and your capital gets cut or your pod gets shut down. Some platforms run tiered systems: first breach reduces capital, second terminates. PMs bear no personal financial risk but face immediate career risk if they breach limits.

## THE SIGN-ON ARMS RACE

Multi-year guaranteed packages of **$20M–$120M+** are now standard for proven PMs moving between platforms. One senior PM was lured with more than $120M in guaranteed payouts. Steve Schurr (Balyasny's Senior MD of Fundamental Equities) was reportedly offered a $100M package to join Millennium. These guarantees replace deferred comp and compensate for 6–12 month non-competes.

## THE LP REALITY

When you factor in pass-throughs, LPs at multi-strat pods are effectively paying **7-and-20 up to 15-and-20** in total fees. Pass-throughs cover compensation, research, technology, and operations. This is the economics that funds PM guarantees.

**$20–120M+ GUARANTEES**
Standard for proven PMs moving between top platforms

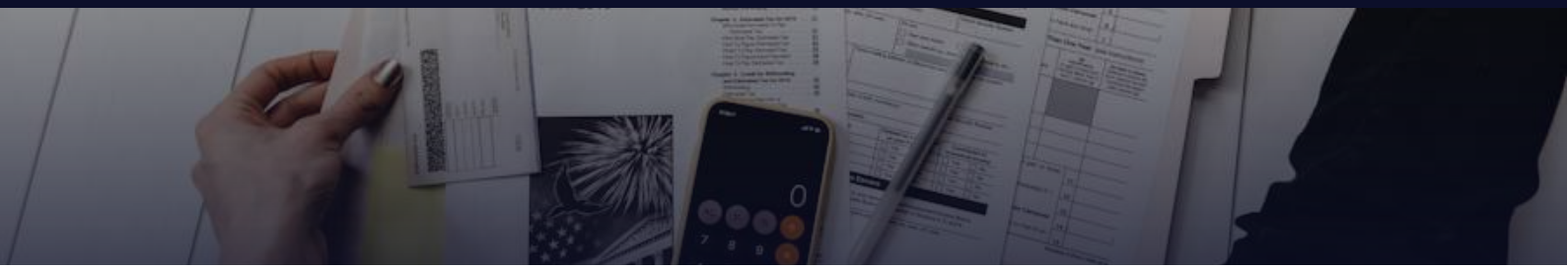
**4–6X LEVERAGE**
Platform-provided. Risk infrastructure, tech, and ops included

**LOCATION FLEXIBILITY**
Dubai, Puerto Rico, Switzerland. Tax efficiency now a negotiation lever

### WHAT THIS MEANS FOR CANDIDATES

Understanding pod economics is essential for negotiating your next move. The guaranteed package, capital allocation, drawdown limits, and P&L split vary significantly between platforms. A $50M guarantee at a platform with a 3% hard stop and $200M capital is a fundamentally different proposition to the same guarantee with a 5% stop and $500M capital. Owen Burton can advise on the specific economics at every major platform.

# TRANSFER WINDOW



*The transfer window highlights significant PM movements across the equity long/short landscape. In Q1 2026, the talent war between platforms reached unprecedented intensity, with sign-on packages breaking all historical records.*

## Steve Schurr

**Senior MD Fundamental Equities, Balyasny → Millennium - Q1 2026**

The marquee equity PM hire of 2026. Schurr was reportedly offered a **$100M potential payout package** to make the move. This is the single largest disclosed PM compensation package and signals the intensity of competition between the two largest multi-strategy platforms for proven equity talent.

## Watson Lau

**L/S Equities, Balyasny (Hong Kong) → Polymer Capital**

One of several Balyasny departures following the Q1 drawdown. The -3.8% Q1 performance is accelerating outflows of PM talent, particularly in Asia where Polymer and other regional platforms are competing aggressively.

### MILLENNIUM ← CITADEL

**Mehta, Jozkowski & Weitzman**

Three stock pickers hired from Citadel's Surveyor equities division in March. Post-bonus churn between the two largest platforms. 330+ pods, 6,670 staff.

### TAULA CAPITAL

**7-Person Trading Team from Millennium**

Hired February 2026. Schonfeld-backed launch building aggressively. Team lifts are becoming the preferred hiring model.

### CITADEL ← BALYASNY

**Jeremy Simon to Ashler Capital**

Left Balyasny to join Citadel's Ashler Capital division focusing on TMT investments. The Citadel-BAM PM exchange continues.

### POINT72

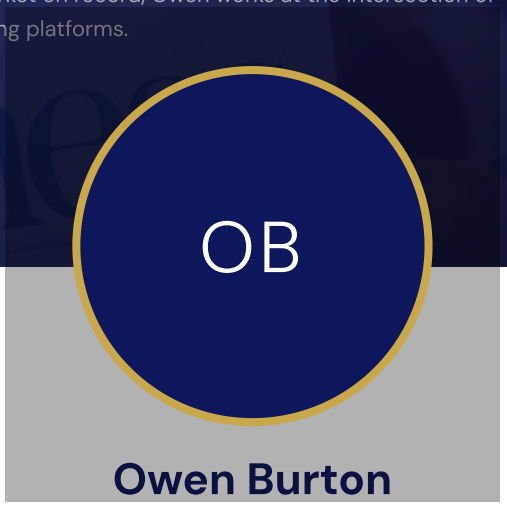
**Kevin Liu - Bidding War Winner**

Signed after a heated bidding war with Citadel, Millennium, and Balyasny. The arms race for proven equity PMs is intensifying.

PARAGON ALPHA – EQUITY LONG/SHORT RECRUITMENT

# *Owen Burton: Placing the PMs That Move Markets*

In the most competitive equity PM hiring market on record, Owen works at the intersection of proven talent and the world's most demanding platforms.




Owen specialises in placing equity long/short portfolio managers at multi-strategy hedge funds, single-strategy funds, quantitative trading firms, and proprietary trading firms. His sector coverage spans Industrials, Consumer, Healthcare, TMT, Financials, Utilities, and Semiconductors across discretionary and semi-discretionary strategies.

His geographic reach covers London (primary), New York, Dubai, Paris, and Monaco. Owen's clients include Balyasny, Millennium, ExodusPoint, Verition, and QRT – the platforms where proven equity PMs are building the next generation of alpha.

In a market where only P&L gets you through the door, Owen's deep network of proven equity PMs and his understanding of platform economics means he can match the right talent to the right architecture. Whether you are a CIO building an equity book or a PM evaluating your next platform, Owen can advise on the specific economics, culture, and opportunity at every major fund.

OB

**Owen Burton**

Equity L/S PM Recruiter, Paragon Alpha

owen@paragonalpha.com +44 20 3582 1407 LinkedIn

GET IN TOUCH TO DISCUSS EQUITY PM RECRUITMENT

# *The PMs Who Will Define the Next Cycle Are Moving Now*

Whether you are building an equity book or evaluating your next platform, Paragon Alpha is the partner that understands both sides of the table.

START A CONVERSATION

*Let us help you find the equity talent that will define your next chapter*


info@paragonalpha.com

+44 20 3582 1407

www.paragonalpha.com

**LONDON**
34–37 Liverpool Street
London EC2M 7PP

**NEW YORK**
147 Prince St
Brooklyn, NY 11201


PARAGON Alpha

*A hedge fund talent business*